

Message Text

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SUBJECT:WASHINGTON POST ARTICLE ON FOOD FOR PEACE

1. SUMMARY: THE DECEMBER 9 EDITIONS OF THE WASHINGTON POST CARRIED AN EXTENSIVE ARTICLE BY DAN MORGAN ENTITLED QUOTE USE OF FOOD TO AID U.S. INTERESTS HIT UNQUOTE DEALING WITH AN ALLEGED INTERNAL USG POLICY CONFLICT ON USE OF FOOD FOR PEACE RESOURCES BETWEEN "POLITICAL" AND "HUMANITARIAN" FACTIONS WHO, RESPECTIVELY, WANT TO SPEND THE MAJOR SHARE OF THIS FISCAL YEAR'S FOOD AID MONEY IN COUNTRIES WHERE THE UNITED STATES HAS VITAL POLITICAL OR SECURITY INTEREST OR, ALTERNATIVELY, IN COUNTRIES THREATENED BY STARVATION AND HUNGER. RELEVANT EXCERPTS FOLLOW:

2. A CONFIDENTIAL STATE DEPARTMENT PROPOSAL TO SPEND THE MAJOR SHARE OF THIS FISCAL YEAR'S FOOD AID MONEY IN COUNTRIES WHERE THE UNITED STATES HAS A VITAL POLITICAL OR SECURITY INTEREST IS BEING QUESTIONED AT THE TOP LEVEL OF GOVERNMENT BY ADVOCATES OF AID FOR COUNTRIES THREATENED BY STARVATION AND HUNGER.

3. POLICY MAKERS WHO HAVE CONFERRED SEVERAL TIMES IN THE LAST FEW DAYS HAVE BEEN UNABLE TO RESOLVE THE SPLIT BETWEEN THE "POLITICAL" AND "HUMANITARIAN" FACTIONS. AS A

RESULT, PRESIDENT FORD WILL BE ASKED TO MAKE THE FINAL
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DECISION, PROBABLY TUESDAY, ON WHICH COUNTRIES RECEIVE THE

AID FOR THE NEXT SIX MONTHS. THIS DECISION HAS BEEN PUT OFF FOR MONTHS WHILE AUTHORITIES AWAITED MORE DEFINITIVE DATA ON AMERICAN CROPS AND THE STATE OF THE ECONOMY.

3. OFFICIALS ARE NOW CERTAIN THAT THE OVERALL VALUE OF THE PROGRAM WILL BE INCREASED IN EXCESS OF THE \$891 MILLION PROPOSED BY PRESIDENT NIXON IN APRIL. MR. FORD PLEDGED INCREASES AT THE UNITED NATIONS IN OCTOBER. HOWEVER, AGENCIES ARE STILL FAR APART ON WHETHER THE INCREASE SHOULD BE A TOKEN OR A SUBSTANTIAL ONE. THUS AS MANY AS FOUR OPTIONS MAY BE PRESENTED TO THE PRESIDENT.

4. VARIOUS DOCUMENTS -- INCLUDING A STATE DEPARTMENT OPTIONS PAPER LABELED "CONFIDENTIAL" -- WERE MADE AVAILABLE TO THE WASHINGTON POST BY OFFICIALS WHO SAID THEY WERE MAKING THEM PUBLIC IN A LAST-DITCH EFFORT TO SHIFT THE FISCAL 1975 FOOD FOR PEACE PROGRAM'S EMPHASIS TO HUMANITARIAN NEEDS.....

5. ...OMB OFFICIALS SAID LAST WEEK THEIR AGENCY HAD RECEIVED MANY LETTERS FROM AMERICANS CALLING FOR AN INCREASE IN HUMANITARIAN ASSISTANCE.

6. REPRESENTATIVES OF THE STATE DEPARTMENT AND THE NATIONAL SECURITY COUNCIL - BOTH OF WHICH ARE HEADED BY SECRETARY OF STATE HENRY A. KISSINGER - WERE REPORTED TO HAVE ARGUED FOR A SIZABLE FOOD AID PROGRAM FOR SUCH REGIONS AS CHILE, SOUTH KOREA, THE MIDDLE EAST AND INDOSIA.

7. ASH, KISSINGER AND AGRICULTURE SECRETARY EARL L. BUTZ ARE DUE TO MEET WITH PRESIDENT FORD FOR A FINAL DECISION-MAKING SESSION THIS WEEK...

8. ...THE ORIGINAL STATE DEPARTMENT MEMORANDUM LISTED THREE SPENDING OPTIONS: LOW, MEDIUM AND HIGH. THE ALTERNATIVES HAD VALUES OF \$764 MILLION, \$1.1 BILLION AND \$1.3 BILLION.

9. THE TOTAL TONNAGE OF WHEAT AND RICE ALLOCATED UNDER UNCLASSIFIED

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THE THREE PROPOSALS WAS 2.7 MILLION, 4 MILLION AND 4.8 MILLION. ONLY THE THIRD PROPOSAL EXCEEDED THE 4.4 MILLION TONS OF FOOD PROGRAMMED IN THE PROPOSAL THAT PRESIDENT NIXON SENT TO CONGRESS IN APRIL.

10. ALL THREE ALTERNATIVES ASSIGNED A SUBSTANTIAL AMOUNT TO COUNTRIES WHERE THE UNITED STATES HAS A VITAL POLITICAL OR SECURITY INTEREST.

11. FOR INSTANCE, IN THE MIDDLE-LEVEL PLAN, CAMBODIA, VIETNAM, CHILE, SOUTH KOREA, INDONESIA, PAKISTAN, EGYPT, JORDAN, SYRIA AND ISRAEL WERE LISTED FOR LOW-INTEREST LONG TERM CREDITS TO BUY FOOD TOTALING \$612 MILLION, OUT OF A TOTAL PROGRAM OF \$1.1 BILLION.

12. THE SAME MIDDLE OPTION ALLOCATED \$194 MILLION IN CREDITS TO THE HUNGER-STRICKEN NATIONS OF INDIA, BANGLADESH AND SRI LANKA AS WELL AS \$328 MILLION IN FOOD GIFTS. THESE DONATIONS GO DIRECTLY TO NEEDY PEOPLE, SUCH AS SCHOOL CHILDREN, MOTHERS, WORKERS ON DEVELOPMENT PROJECTS AND REFUGEES.

13. THE HIGH-OPTION PROGRAM ADDS MORE THAN \$100 MILLION IN CREDITS TO THE ASIAN SUBCONTINENT COUNTRIES AND IT ALSO INCREASES THE SIZE OF CREDITS FOR FOOD BUYING TO CHILE AND SOUTH KOREA.

14. ACCORDING TO THE MEMORANDUM, THE MEDIUM OPTION "PROVIDES FOR SMALL POLITICAL PROGRAMS WITH GUINEA, AND MOROCCO," AS WELL AS FOR AID TO HAITI, WHICH IS ON THE UN LIST OF 32 NATIONS MOST SERIOUSLY AFFECTED BY GLOBAL INFLATION, PARTICULARLY EXPENSIVE FOOD, FUEL AND FERTILIZER IMPORTS.

15. IT ALSO WOULD "ENABLE US TO MEET THE EGYPT AND SYRIA POLITICAL REQUIREMENTS," THE MEMORANDUM READS.

16. THE MEMO SAYS THAT THE HIGH OPTION "IN EFFECT MAKES THE ASIAN SUBCONTINENT THE FIRST PRIORITY IN FOOD AID," ADDING THAT "THE HUMANITARIAN RATIONALE IS STRONG; THERE IS DOMESTIC SUPPORT FOR SUCH EMPHASIS."

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17. ONE PARTICIPANT AT THURSDAY'S INTERAGENCY MEETING CHARGED, HOWEVER, THAT STATE'S MAIN AIM WAS TO GIVE KISSINGER THE BROADEST POSSIBLE LEEWAY TO USE FOOD FOR DIPLOMATIC AND ECONOMIC PURPOSES.

18. ...A STATE DEPARTMENT OFFICIAL CONCEDED THAT SECURITY AND POLITICAL CONSIDERATIONS DO HAVE A HIGH PRIORITY IN STATE'S POSITION, BUT HE ASSERTED THAT HUMANITARIAN AID ALSO DOES.

19. ANOTHER OFFICIAL CONCEDED THAT THE FOOD FOR PEACE PROGRAM "IS SHOT THROUGH WITH ALL KINDS OF CONFLICTING PRESSURES." ONE SOURCE SAID, FOR INSTANCE, THAT PENTAGON REPRESENTATIVES HAVE ARGUED THAT THE UNITED STATES HAS AN

OBLIGATION TO PROVIDE CREDITS TO SOUTH KOREA BECAUSE OF THAT COUNTRY'S AGREEMENT TO COMMIT COMBAT TROOPS TO THE DEFENSE OF SOUTH VIETNAM. ALSO, SUPPORT FOR LARGE AMERICAN SHIPMENTS OF RICE TO INDOCHINA AND KOREA HAS BEEN URGED BY CONGRESSMEN FROM RICE STATES.

20. TREASURY HAS TAKEN A HARD LINE IN OPPOSING A SUBSTANTIAL INCREASE IN THE OVERALL SIZE OF THE PROGRAM ON GROUNDS THAT THE SHIPMENT OF MORE COMMODITIES COULD BOOST DOMESTIC FOOD PRICES. TREASURY EXPERTS ALSO QUESTIONED AGRICULTURE DEPARTMENT ESTIMATES OF WHEAT EXPORTS BEING TOO LOW. REPRESENTATIVES OF THE COUNCIL OF ECONOMIC ADVISERS FEAR THAT RISING DOMESTIC FOOD COULD ULTIMATELY LEAD TO THE IMPOSITION OF EXPORT CONTROLS, WHICH COULD WRECK THE U.S. POSITION AT COMING INTERNATIONAL TRADE REFORM TALKS.

21. IN OCTOBER AND NOVEMBER THE UNITED STATES APPROVED TWO CREDITS TO THE CHILEAN MILITARY REGIME FOR FOOD PURCHASES TOTALING \$33.6 MILLION. THESE WERE THE FIRST LOANS SINCE AID WAS CUT DURING THE REGIME OF MARXIST PRESIDENT SALVADOR ALLENDE. KISSINGER

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